

City of Junction City, Oregon

Request for Proposals (RFP) To Provide Municipal Auditing and Financial Consulting Services

**Date Due: 1/31/25
Time Due: 5:00 p.m.**

Mailing Address:
City of Junction
P.O. Box 250
Junction City, Oregon 97448

Hand Delivery:
City Hall
185 W 8th Ave
Junction City, Oregon 97448

SCHEDULE

REQUEST FOR PROPOSAL ISSUED	December 2, 2024
LAST DATE FOR SOLICITATION CLARIFICATIONS	December 16, 2024
PROPOSALS DEADLINE	January 31, 2025
PROPOSAL OPENING	February 4, 2025
INTERVIEWS (TENTATIVE)	February 11, 2025
NOTICE OF INTENT TO AWARD.....	February 13, 2025
LAST DATE TO PROTEST AWARD	February 20, 2025
CONTRACT SIGNED	March 1, 2025

I. INTRODUCTION

The City of Junction City (City) is accepting proposals from qualified firms of certified public accountants to provide financial consulting and audit services to the City beginning with the fiscal year ending June 30, 2025, with the option of continuing consulting and auditing services for the four (4) subsequent fiscal years.

II. OVERVIEW OF JUNCTION CITY

The City of Junction City, covering 2.36 sq. miles, is located Junction City is located on old Highway 99, 14 miles north of Eugene, 38 miles south of Corvallis and centrally located between the Pacific Ocean to the West and the Cascade Mountains to the East.

The City of Junction City was first incorporated in 1872 and functions under the Council-administrator form of government. The Junction City City Council is comprised of a Mayor, who presides at the Council meetings, elected at-large for a two-year term and six Council Members elected at-large for four-year staggered terms. The City Council is responsible for appointing the City Administrator. The City Administrator has responsibility for all City functions.

The City also has a nine position Planning Commission, and a Budget Committee that is comprised of the Mayor, Council members and seven citizen members. There are 39 full time and part time staff positions. Numerous seasonal employees are hired during the summer to operate the swimming pool and assist with landscape maintenance.

The City currently provides water, sewer, park and seasonal swimming pool, planning, street building and maintenance, building and building related permit, storm-water, animal control, and law enforcement services.

The total adopted budget for the City for the 2024/2025 fiscal year was \$28,947,400. The City's budget structure incorporates 30 funds, including governmental and proprietary fund types. Financial accounting records are primarily computerized using Tyler accounting software for budgeting, accounting, payroll, accounts payable, reporting, and utility billing. Caselle software is utilized for Municipal Court transactions.

Copies of the City's current budget and/or latest audited financial statements may be obtained through the City's Finance Director at City Hall, 185 W 8th Ave, P.O. Box 250, Junction City, OR 97448, or phone (541) 998-2153 or through the City's website: www.junctioncityoregon.gov.

III. SCOPE OF SERVICES BEING REQUESTED

The primary services being requested are listed in one of two categories below. As applicable, the services being requested are for the City of Junction City.

Specific Services.

1. A thorough examination in accordance with generally accepted auditing standards of the financial information and supplemental schedules for all City funds.
2. Year-end fund account combinations, government wide, and governmental fund and proprietary fund financial statements (cash basis).
3. Drafting of the Annual Financial Reports in accordance with all applicable GASB and/or FASB pronouncements.
4. An examination, if applicable, in accordance with the laws of Oregon and the Single Audit Act Amendments of 1996 and OMB Circular A-133.
5. Assistance with and review of Management Discussion and Analysis (MD&A) and incorporating the MD&A in reports.
6. Consulting services throughout the term of the contract on financial related issues including, but not limited to budgeting, internal controls, best practices, pronouncement interpretations, and guidance on compliance issues.
7. A pre-audit meeting between the auditing firm, the City Administrator and the Finance Director may be conducted prior to the audit each year. During this meeting, items to be discussed include: audit schedule, working paper standards and requirements, and deadlines. A list shall be presented by the auditor at this time indicating the information required from City staff.
8. An exit conference or other communication is required of the auditing firm on completion of all fieldwork to inform the Finance Director and City Administrator of pertinent findings. Formal report presentation by the auditing firm will be required before a regular session of the Junction City City Council, preferably before each annual report is submitted to the Secretary of State, Audits Division.
9. A letter expressing an opinion on the financial statements. Written notice to the City in advance if the opinion that is less than unqualified along with justification of the opinion.
10. The firm will issue two separate written letters of recommendation to City management after completion of the audit, covering the firm's review of the adequacy of internal accounting controls and other audit investigations. The firm shall advise and assist management to implement any recommendations as required.
11. The auditing firm shall create and print bound hard copies as needed as well as an electronic copy of the City's Annual Financial Statements and Audit Report.
12. The auditing firm shall submit an electronic version of the reports to the State Division of Audits and to the City no later than December 31st of each year.

General Services.

1. All funds and accounts of the City are to be covered by the audit examination.
2. The City from time to time may be subject to the additional audit requirements imposed by the Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of State and Local Governments. The audit firm is expected to prepare and deliver its report on the single audit no later than November for the preceding fiscal year.
3. The audit examination shall be made in accordance with generally accepted governmental procedures as prescribed in the AICPA Industry Audit Guide – Audits of State and Local Governmental Units and in GAAFR.
4. Report any unusual conditions encountered during the course of the audit.
5. Examine other reports or perform other services as required

IV. INFORMATION TO BE PROVIDED BY CITY

City staff will complete and balance all accounts at year-end, and will furnish, at a minimum, the following information and work-papers in conjunction with the audit engagement:

1. Monthly expenditure and revenue reports with year-to-date totals summarizing all transactions for each line item within each fund; a year-to-date general ledger detailing all transactions for each fund. Detail by source of transactions for each line item is available through the data processing system. Also, a working trial balance will be provided in hard copy at the request of the audit firm.
2. Bank reconciliations for all bank and pool accounts of the City that are subject to this audit.
3. Detailed reconciliations or list of: investments, interest income, assessments, utility billing, payroll expense and payables, accounts payable and receivable, revenues by type, long-term debt, capitalized assets, deposits being held, deferred inflows and inter-fund liabilities.
4. Individual fund statements of revenues and expenditures on the non-GAAP budgetary basis (cash).
5. Other information as requested.

V. GENERAL PROVISIONS

1. The intent of the City of Junction City is to negotiate a five (5) year contract. The contract would cover fiscal years ending June 30, 2025, 2026, 2027, 2028 and 2029.
2. If the contract is satisfactorily carried through for five (5) years, the engagement may be renewed for another two (2) years at the option of the City.
3. Either party may cancel the written contract by giving notice, in writing, to the other party at least ninety (90) days prior to July 1 of each year.
4. Ownership of the financial statements and audit reports shall belong to the City of Junction City and it is expressly understood that publication of the audit report (in whole or in part) or reference to such audit report shall be at the sole discretion of the City of Junction City.
5. Services of the auditing firm that extend beyond the normal work anticipated are contingent upon Contractor's prior written notification to the City Finance Director, and written City approval. Fees for such additional services will be negotiated in advance.

6. Performance under any resulting audit contract may commence as soon after contract execution as is agreeable to both parties. Contract terms shall include that, for the fiscal year ending June 30, 2025, the field audit work shall be completed no later than October 31, 2025. A draft of the financial and audit reports for the 2024/2025 fiscal year shall be submitted to the City no later than November 20th, in order for City staff to review and use those reports in preparation of the final report MD&A. The final Annual Financial Statements and Audit Report for the fiscal year ending June 30, 2025, shall be completed by December 1, 2025. The financial audit services for the fiscal year ending June 30, 2025, will conclude with a final report presentation by the auditor at a regular session of the Junction City City Council on or before December 9, 2025. A similar timeline for each subsequent audited fiscal year will be established by the Finance Director and the auditing firm.

VI. INFORMATION TO BE PROVIDED BY PROPOSERS

To be considered by the City, please provide the following information in the exact order listed:

1. Describe how your firm will approach the audit, including the manner in which you intend to use computer-assisted auditing procedures, statistical sampling techniques, specialized governmental audit programs, and technical review of the reports prior to issuance. One or more example audit(s) may be provided and will not count against page limitations, but is not required.
2. Describe the communication process used by the firm to discuss issues with the management and council.
3. Identify the local office partners, manager and key staff members who would be assigned to the audit. Describe their roles and provide a brief description of their professional experience.
4. Discuss commitments you will make to staff continuity, including your staff turnover experience in the last three years.
5. Explain how you would propose to use City personnel, if at all, to assist you during the audit, and indicate the approximate time requirement.
6. Describe your firm's personnel development program and your continuing professional educational requirements. Identify specialized programs in the area of municipal accounting and auditing.
7. Describe your firm's capability and experience in providing financial-related consulting services to local government units, and identify your local office consultants who would provide such services.
8. Submit an example of constructive suggestions your firm has provided to other local government units for improving internal accounting controls and administrative procedures.
9. Identify your firm's current municipal auditing engagements and indicate the number of years your firm has provided services to them. Provide the names and contact information for other similarly sized clients of the partner and/or manager that will be assigned to our organization.

10. Estimate the hours associated with providing the required services including, but not limited to examination of the financial records, preparation of all the financial statements and supplemental information and creation of the City's Annual Financial Statements and Audit Report. Estimate of the hours associated with a typical examination in accordance with the Single Audit Act. Also estimate the percentage of this work that will be performed on-site.
11. Describe the method you would use in charging for any technical assistance on accounting and/or reporting questions, other special requests, reports or broadening of the scope – i.e., how such a request would be handled, rates, etc.
12. Submit two samples of recent management reports that you have issued regarding an audit, preferably of an Oregon municipality, which has similar services and is of comparative size with the City of Junction City.
13. Provide details and outcome of any complaints against your firm or staff members or any disciplinary action imposed on your firm or staff members by the Oregon State Board of Accountancy or Oregon Secretary of State, Audits Division.
14. Comment on your firm's participation in peer review programs. Include a copy of the audit firm's latest peer review report and letter of comments.
15. Describe how and why your firm is different from other firms being considered, and why our selection of your firm as our external consultant and auditor is the best decision we could make. Include any other information that you believe will assist the City in making its selection.
16. Provide the following fees:
 - Estimate of the maximum fee for providing above-described services to the City of Junction City and maximum hours the fee would include.
 - Billing rates for all applicable classifications of professional personnel for financial related consulting or additional billable services.
 - State whether your fees include travel and out-of-pocket expenses, or whether such costs are billed separately.
 - Projection of a maximum annual percentage of increase that can be expected in subsequent fiscal years. Include method used each year to adjust fees.

VII. SUBMISSION REQUIREMENTS AND PROVISIONS

1. Four (4) copies of sealed proposals are required.
2. Proposals shall include:
 - a. A cover sheet indicating an interest in providing consulting and auditing services to the City of Junction City, and providing the following:
 - i) Full legal name of proposing business entity
 - ii) Structure or type of business entity
 - iii) Name(s) of the person(s) authorized to represent the Proposer in any negotiations
 - iv) Name(s) of the person(s) authorized to sign any contract that may result
 - v) Contact person's name, mailing or street addresses, phone, and email address
 - vi) Statement that no redactions are requested, if applicable
 - vii) Oregon Board of Accountancy license number as municipal auditor

- viii) Statement as to Proposer’s standing with the Oregon Board of Accountancy
 - ix) Signature of Proposer representative, authorized to bind Proposer
- b. All the requested information as set forth on pages 6-7 (#1-16) along with the separate documents requested.
 - c. Firm Qualifications and Experience: Provide a brief overview of the firm’s experience performing municipal audits. Include the results of the audit firm’s most recent external quality review, any findings discovered as part of that review and actions taken to correct those findings. The audit firm must also disclose information on the circumstances and status of any disciplinary action taken or pending against the audit firm during the past three (3) years with state regulatory bodies or professional organizations, as well as any pending or settled litigation within the past three (3) years.
 - d. Outline Project Team:
 - i) Experience and Qualifications of Key Personnel: Identify all key personnel who will be assigned to work on this project including names, CPA license numbers, and Oregon Municipal Audit Roster numbers. Include a summary of their background and experience in auditing similar organizations as well as their roles and assigned responsibilities under the proposal.
 - ii) Identify one senior project manager who will be responsible for the day-to-day management of personnel, and serve as the primary contact for City’s project manager.
 - iii) Describe the role and responsibility of personnel that will be assigned to this project, including the percent of time that each individual will spend on the project in relation to their overall work hours.
 - iv) Describe your firm’s policy and practices related to rotating audit staff.
 - e. References: Provide contact information for three (3) of the firm’s current municipal auditing clients in Oregon. Contact information should include the name of the public agency, name and title of contact person, telephone number, and email address.
 - f. A signed attestation form, which is enclosed with this solicitation document, providing written assurances of the proposer’s ability to meet the required criteria for selection.
 - g. Differentiators. Describe what makes your firm different from other firms providing the same service and describe how that will translate to the level of services received.
3. Proposals must be **received** no later than 5:00 p.m. on January 31, 2025. Proposals with postmarks on or after January 31, 2025 will not be considered.
4. Proposals must be in a sealed envelope marked “Audit Services Proposal” and mailed to:
City of Junction City, Finance Director, P.O. Box 250, Junction City, Oregon 97448
Or delivered to:
City of Junction City, Finance Director, 185 W 8th Ave, Junction City, Oregon 97448
5. If any person contemplating submitting a proposal for the contract has a question concerning any provision of the proposal documents, the question should be submitted to the City’s Finance Director. The person submitting the request will be responsible for its prompt delivery. Oral interpretations or statements cannot modify the provisions of the proposal documents. Any interpretation of the proposal documents will be made only by a written addendum, duly issued and a copy of the addendum will be mailed or delivered to each

person receiving a set of proposal documents from the City. Receipt of an addendum must be acknowledged by signing and returning a copy of the addendum with the proposal.

6. After the scheduled closing time for the receipt of proposals and before acceptance of a proposal, no proposer will be permitted to withdraw the proposal unless said acceptance is delayed for a period exceeding thirty (30) days. Any proposals received after the scheduled closing time shall be returned to the proposers. Withdrawal of a proposal shall not disqualify the proposer from submitting another proposal provided the time for receipt of proposals has not expired. Any request for withdrawal of a proposal shall be executed and signed by an authorized agent of the proposer.
7. Any exceptions to the specifications of this RFP must be clearly identified in writing in the proposal, and referenced in the cover sheet.
8. Any proposer who believes any of the proposed specifications may limit competition among potential proposers must submit written comments or objections on the proposed specifications to the City of Junction City, Attn: Finance Director, P.O. Box 250, Junction City, Oregon 97448. The comments must specify why the proposed specification limits competition, and must be received no later than five (5) calendar days before the date when the proposals will be publicly opened.

VIII. OPENING OF PROPOSALS

Proposals will be opened at Junction City Hall, 185 W 8th Ave, Junction City, Oregon on February 3, 2025. Proposers who wish to be present at the time of opening will be informed of the number and names of proposers. Once opened, proposals will be filed for public inspection as allowed by Oregon Revised Statutes. Proposers will clearly mark confidential material as such. The City will endeavor to maintain the confidentiality of so marked information, subject to all legal public record disclosure requirements.

Submissions shall become the property of the City of Junction City without obligation. Costs incurred in the preparation, submission and presentation of proposals are solely the responsibility of each proposer.

IX. EVALUATION CRITERIA

Evaluation consideration will include the following:

Evaluation Criteria	Scoring
Firm's municipal audit expertise and experience and qualifications of key personnel	30%
Audit approach and schedule	20%
References	20%
Fees for service	20%
Differentiators	10%

X. AWARD / REJECTION

Award of the contract in the form attached will be made to the proposer whose proposal is, in the opinion of the City Council or its designee, in the best interest of the City, price and other factors considered. The City reserves the right to reject all proposals or to reject any proposal not in

accordance with this solicitation. Submittal of a proposal indicates proposer's intent to be bound to the form contract attached. The City reserves the right to make changes and complete this contract in its sole discretion.

When an item that is proposed is not the same as the item specified in the RFP documents, the City shall determine whether or not the proposed item shall be considered as an approved equal. If the item is not determined to be an approved equal, that proposal item shall be rejected. This determination shall be made prior to contract award.

An evaluation committee will be responsible for initially reviewing the competing proposals, based upon the criteria set forth in this Request for Proposals. Selection may be made directly from the proposals submitted, or the City may conduct interviews with potential finalists. The committee will select the proposer determined to meet the best interest of the City, and the committee's recommendation will be forwarded to the City Administrator, who will make the final recommendation for award to the City Council. The City Council shall make the final contract award determination.

Attachments:

Attachment A – Fee Proposal

Attachment B - Authorized Signatures and Attestation

Attachment C - Personal Service Agreement for Auditing Services

**ATTACHMENT A
FEE PROPOSAL**

In accordance with the Request for Proposals for Professional Auditing Services, the firm referenced below submits the following hourly fee quotation and hours proposed for all positions to be assigned to the audit:

Fee for Fiscal Year End June 30, 2025:

<i>Key Personnel</i>	<i>Audit Hours</i>	<i>Hourly Rate</i>	<i>Total</i>
Engagement Partner			
Engagement Manager			
Engagement Senior			
Engagement Staff			
Clerical/Support Staff			
Other			

In accordance with the Request for Proposals for Professional Auditing Services the firm referenced below submits the following cost proposal for the term of the contract:

Fee proposal for Fiscal Years Ending June 30:

	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>
Financial Statement Audit					
Single Audit (if required)					
Cost of Supplies and Materials					
Additional Fees (if applicable*)					
Total					

*Technical assistance, as needed, is expected from the audit firm throughout the fiscal year that may include inquiries regarding accounting, reporting and internal control issues. If fees related to this technical assistance are not included in the firm's financial statement audit fee, please include them here.

Attachment A: Fee Proposal (continued)

I hereby certify that the undersigned is authorized to represent the firm stated below, and empowered to submit this bid, and if selected, authorized to sign a contract for the services identified in the RFP.

Firm Name:	
Signature:	
Printed Name:	
Title:	
Date:	
Email Address:	

**ATTACHMENT B
AUTHORIZED SIGNATURES AND ATTESTATION**

I/we, the undersigned, an authorized representative of

_____, whose address is: _____
have read and thoroughly understand the specifications, instructions and all other conditions of the Request for Proposal issued by the City of Junction City for Municipal Auditing and Financial Consulting Services for fiscal years ended June 30, 2025, 2026, 2027, 2028, and 2029.

Acting on behalf of my/our firm, which is listed above, I/we do attest that the services offered by my/our firm meet the City of Junction City specifications in every respect, (check one) _____ without exceptions or _____ with exceptions (provide detailed explanation on a separate sheet).

The proposal in its entirety shall be valid for 90 days from the proposal due date.

The proposal has been created independently and without collusion designed to limit independent bidding or competition.

I/we therefore offer and make this proposal to furnish to the City of Junction City the audit and consulting services detailed in my/our proposal at the prices indicated.

Firm Name: _____

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Signature: _____

Printed Name: _____

Title: _____

Date: _____

ATTACHMENT C

CITY OF JUNCTION CITY

PERSONAL SERVICE AGREEMENT FOR AUDITING AND FINANCIAL CONSULTING SERVICES

BASED UPON the proposals submitted in response to the Request for Proposals for Municipal Audit Services (RFP) issued by City of Junction City (City), City and _____ (Consultant) hereby enter into an agreement for the provision of personal services in accordance with the RFP and Consultant's Proposal.

All terms of the following exhibits are hereby incorporated by reference into this Agreement, and Consultant agrees to comply with each:

- (1) Exhibit A – Request for Proposals
- (2) Exhibit B – Consultant's Proposal
- (3) Exhibit C – ORS 279B requirements for Personal Service Contracts
- (4) Exhibit D – Scope of Work

In the event of any conflict, the terms of this Agreement shall control, followed by Exhibits A, C, D, then B, in that order.

1. Term. The term of this Agreement shall extend from July 1, 2025, to December 31, 2029, unless extended for up to one additional two-year term by City.
2. Scope of Work. Consultant agrees to perform during the term of this Agreement, the following services:
 - 2.1 Generally, Consultant shall provide all materials and services associated with providing auditing services to City (City Services) as set forth in City's RFP for Auditing Services dated December 2, 2024, and Consultant's proposal dated _____ 2024, incorporated herein as Exhibits A and B, respectively.
 - 2.2 Specifically, Consultant shall perform the services set forth in the Scope of Work incorporated herein as Exhibit D.
 - 2.3 Consultant shall not perform and City shall not pay for Consultant's services which are outside the work described in this Section 2, unless City provides prior written consent for such work. Consultant's services which are outside of the Scope of Work and approved by City shall be charged as provided in Exhibit B.
 - 2.4 Consultant agrees that it will complete work under this Agreement in accordance with the schedule established in Section III.7 of Exhibit A. If Consultant does not complete and provide the reports required in Exhibit D by December 1 of the year following the fiscal year being audited, City will charge a penalty of \$100 for each day that the reports are late, unless the delays are attributable to City or the parties mutually agree to a later submission date. If December 1 falls on a Saturday or Sunday, the following Monday shall become the due date for reports.
 - 2.5 Ownership of the audit report belongs to City and it is expressly understood that publication of the audit, in whole or in part, or reference to the audit, will be at the sole discretion of City.

3. Compensation.

3.1 Compensation. For the services described and performed by Consultant, City agrees to pay, and the Consultant agrees to accept, compensation up to the maximum not to exceed amount of:

Fiscal Year Ending 6/30/2025	\$ _____
Fiscal Year Ending 6/30/2026	\$ _____
Fiscal Year Ending 6/30/2027	\$ _____
Fiscal Year Ending 6/30/2028	\$ _____
Fiscal Year Ending 6/30/2029	\$ _____

3.2 Invoices. Invoices for Consultant's services shall be based upon Consultant's fees and hourly rates as set forth in Exhibit B, up to the maximum amounts, above. These amounts shall be billed to City in summary form, detailing the previous month's fees and costs and the percentage of the project completed to date, on or about the 10th day of each month for all services performed through the last day of the prior month. Backup invoices, supporting documentation, and records evidencing the progress made on the project to date shall be provided by Consultant at City's request. Failure to invoice for Consultant's Services within three (3) months of billing deadline waives Consultant's right to that payment.

3.3 Payments.

(A) City will review Consultant's invoice and within ten (10) days of receipt notify Consultant in writing if there is a disagreement or dispute with the invoice. If there are no such disputes, City shall pay the invoice amount in full within thirty (30) days of invoice date.

(B) If City fails to make any payment due Consultant for services and expenses within thirty (30) days of the date on Consultant's invoice therefore, late fees will be added to amounts due Consultant at the rate of 1.0 percent (1%) per month from original invoice date. In addition, Consultant may, after giving seven (7) days' written notice to City, suspend services under this Agreement until Consultant has been paid in full all amounts due for services, expenses, and charges, except any invoices in dispute. Invoices in dispute are not subject to such late fees until such time as they are no longer in dispute.

(C) City shall reimburse Consultant for pre-approved expenses reasonably incurred by Consultant in furtherance of its duties under this Agreement. Such expenses may include mileage, meals, or hotel accommodations. City shall not reimburse for any expense, unless Consultant first obtains City's prior written authorization before incurring such expense. Consultant will provide appropriate documentation and receipts of such expenditures when submitting them for reimbursement.

4. Covenants. Consultant agrees to faithfully and diligently perform the duties required by this Agreement and will not engage in any activity that is or may be contrary to the welfare, interest, or benefit of City.

5. City Responsibilities. In addition to City's payment obligations, as set forth in Section 3.3 above, City shall report the total amount of all payments to Consultant, including any expenses, in accordance with federal Internal Revenue Services and State of Oregon Department of Revenue Regulations.

6. Termination.

6.1 Termination for Convenience. This Agreement may be terminated by either party upon thirty (30) days' written notice to the other or at any time upon mutual written consent to parties. If terminated for default, the notice of termination shall set forth the manner in which the other is in default. The consultant shall be paid the agreement price only for services performed in accordance with the manner of performance as set forth in this Agreement.

Upon termination under this Section, unless terminated for breach, Consultant shall be entitled to payment in accordance with the terms of this Agreement for work completed and accepted before termination less previous amounts paid and any claim(s) City has against Consultant. Pursuant to this Section, Consultant shall submit an itemized invoice for all unreimbursed work completed before termination and all Agreement closeout costs actually incurred by Consultant. City shall not be liable for any costs invoiced later than thirty (30) days after termination unless Consultant can show good cause beyond its control for the delay.

7. Disengagement Agreement. Upon receiving a notice of termination, and except as otherwise directed in writing by City, Consultant will continue to perform Auditing Services to the date agreed upon as the termination date.

8. Standard of Care. The standard of care applicable to Consultant's service will be the degree of skill and diligence normally employed by professionals performing the same or similar services at the time such services are performed. Consultant will re-perform any services not meeting this standard without additional compensation, and shall perform such additional work as may be necessary to correct errors in the Auditing Services required under this Agreement without undue delay and without additional costs.

9. Remedies. In the event of breach of this Agreement, the parties shall have the following remedies:

9.1 If terminated by City due to a breach by Consultant, City may complete the work either itself, by agreement with another consultant, or by a combination thereof. If the cost of completing the work exceeds the compensation to Consultant as provided under this Agreement, then Consultant shall pay to City the amount of the reasonable excess.

9.2 In addition to the above remedies for a breach by Consultant, City also shall be entitled to any other equitable and legal remedies that are available.

9.3 If City breaches this Agreement, Consultant's remedy shall be limited to termination of the Agreement and receipt of Agreement payments to which Consultant is entitled.

9.4 City shall not be liable for any indirect, incidental, consequential, or special damages under the Agreement or any damages arising solely from terminating the Agreement in accordance with its terms.

10. Confidentiality. Consultant shall maintain the confidentiality, both external and internal, of any confidential information to which it is exposed by reason of this Agreement. Consultant warrants that its employees assigned to this Agreement shall maintain necessary confidentiality. Consultant shall require similar agreements from any Consultant subcontractors to maintain the confidentiality of City information.

11. Notice. Any required or permitted notices hereunder must be given in writing at the address of each party set forth below, or to such other address as either party may substitute by written notice to the other in the manner contemplated herein, by one of the following methods: hand delivery; registered, express, or certified mail, return receipt requested, postage prepaid; or nationally-recognized private express courier:

City: Junction City
Finance Director
PO Box 250
Junction City, Oregon 97448

Contractor: _____

12. Insurance. Consultant shall maintain the following limits of insurance with a carrier(s) rated A- or better by A.M. Best:

12.1 General Commercial liability insurance -- \$2,000,000 per occurrence

12.2 Professional liability insurance -- \$3,000,000 per occurrence

12.3 Workers' Compensation insurance -- \$1,000,000

12.4 Automobile Liability Insurance -- \$1,000,000 each accident

Consultant shall: (a) provide City with a copy of a current Certificate of Insurance with the coverages listed above; (b) include City as an additional insured for General Commercial Liability (subject to the terms and conditions of the applicable Consultant insurance policy); and (c) provide City with 30-day notice prior to cancellation.

13. Access to Records. The Consultant shall maintain, and the City and its duly authorized representatives shall have access to the books, documents, papers, and records of the Consultant which are directly pertinent to this specific contract for the purpose of making audit, examination, excerpts, and transcripts for a period of seven (7) years following audit completion, unless City sets a longer period by written notice. Copies of applicable records shall be made available upon request. Payment for cost of copies is reimbursable by City.

14. Indemnity. To the extent permitted by law, Consultant shall protect, defend, indemnify and hold City harmless from and against all claims, demands, damages, costs, actions and causes of actions, liabilities, fines, penalties, judgments, expenses and attorney fees, resulting from the injury or death of any person or the damage to or destruction of property, or the infringement of any patent, copyright, trademark or trade secret, arising out of the work performed or goods provided under this Agreement or Consultant's violation of any law, ordinance or regulation, contract provision or term, or condition of regulatory authorization or permit, except for damages resulting from the sole negligence of City.

15. Force Majeure. Consultant shall not be deemed in default hereof nor liable for damages arising from its failure to perform its duties or obligations hereunder if such failure is due to causes beyond its reasonable control, including, but not limited to, acts of God, acts of civil or military authorities, fires, floods, windstorms, earthquakes, strikes or other labor disturbances, civil commotion or war.

16. Independent Contractor. Consultant is an independent contractor for all purposes and is not entitled to any compensation other than the compensation provided for under this Agreement. While City reserves the right to set various schedules and evaluate the quality of Consultant's completed work, City cannot and will not control the means and manner of Consultant's performance. Consultant is responsible for determining the appropriate means and manner of performing the work provided for under this Agreement. Consultant is responsible for all federal and state taxes applicable to compensation and payment paid to Consultant under this Agreement and will not have any amounts withheld by City to cover Consultant's tax obligations.

Consultant is not eligible for any City fringe benefit plans. It is recognized that Consultant may or will be performing work during the term for other parties and that City is not the exclusive user of the services that Consultant provides.

17. Federal Funds. If payment under this Agreement is to be charged against federal funds, Consultant is not currently employed by the federal government and the amount charged does not exceed Consultant's normal charge for the type of service provided.
18. No Benefits. Consultant will not be eligible for any federal Social Security, state Worker's Compensation, unemployment insurance or Public Employees Retirement System benefits from payments made pursuant to this Agreement, except as a self-employed individual.
19. PERS. Consultant is not a member of the Oregon Public Employees Retirement System and is not employed for a total of 600 hours or more in the calendar year by any public employer participating in the Retirement System.
20. Assignment. Consultant shall not assign or subcontract any of its obligations under this Agreement without City's prior written consent, which may be granted or withheld in City's sole discretion. Any subcontract made by Consultant shall incorporate by reference all the terms of this Agreement. City's consent to any assignment or subcontract shall not release Consultant from liability under this Agreement or from any obligation to be performed under this Agreement, whether occurring before or after such consent, assignment, or subcontract, and City shall incur no obligation other than its obligations under this Agreement. The Consultant agrees that if subcontractors are employed in the performance of this Agreement, the Consultant and its subcontractors are subject to the requirements and sanctions of ORS Chapter 656, Workers' Compensation.
21. Public Contracting Requirements. Consultant shall comply with all federal, state and local laws and ordinances applicable to the work under this Agreement, including, without limitation, applicable provisions of the Oregon Public Contracting Code including ORS 279B.020, 279B.220, 279B.230, and 279B.235, as more particularly set forth in Exhibit C.
22. Governing Law. This Agreement is to be governed by and under the laws of the State of Oregon.
23. Consent to Jurisdiction. The parties hereby consent to jurisdiction of the Lane County Circuit Court, Lane County, Oregon, over all legal matters pertaining to this Agreement, including, but not limited to, its enforcement, interpretation or rescission.
24. Arbitration. If any disputes, disagreements, or controversies arise between the parties pertaining to the interpretation, validity, rescission, or enforcement of this Agreement, the parties shall, upon the request of City, submit such dispute to binding arbitration under the Oregon Uniform Arbitration Act, ORS 36.600 *et seq.* Arbitration shall be requested by delivering to the other party a written request for arbitration. Within five (5) days of receipt of such request, the parties shall select a mutually agreeable arbitrator and designate mutually agreeable rules of arbitration. If the parties cannot agree upon an arbitrator within five (5) days, an arbitrator may be appointed by the presiding judge of the Lane County Circuit Court, upon the request of either party submitted in accordance with ORS 36.645. If the parties have not designated mutually agreeable rules of arbitration at such time as the arbitrator is appointed, the arbitrator shall adopt rules for the arbitration. The arbitrator's decision shall be binding upon the parties.
25. Continuation During Disputes. Notwithstanding any dispute under this Agreement, whether before or during arbitration, the Consultant shall continue to perform its work pending resolution of a dispute and City shall make payments as required by the Agreement for undisputed portions of work.

26. Attorney Fees. If suit, action or arbitration is brought either directly or indirectly to rescind, reform, interpret or enforce the terms of this Agreement, the prevailing party shall recover and the losing party hereby agrees to pay reasonable attorney's fees incurred in such proceeding, in both the trial and appellate courts, as well as the costs and disbursements. Further, if it becomes necessary for City to incur the services of an attorney to enforce any provision of this Agreement without initiating litigation, Consultant agrees to pay City's attorney's fees so incurred. Such costs and fees shall bear interest at the maximum legal rate from the date incurred until the date paid by losing party.
27. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect and shall in no way be impaired or invalidated.
28. Facsimile Signatures. The delivery of signatures to this Agreement by facsimile or other electronic transmission shall be binding as original signatures.
29. Entire Agreement. This Agreement shall be the exclusive agreement between the parties for the Auditing Services. No modification of this Agreement shall be effective unless in writing and signed by an authorized representative of both parties, except as otherwise authorized herein.
30. Signatures. This Agreement is not effective unless and until it is approved, signed and dated by an authorized representative of each party.

CITY:

CONSULTANT:

City of Junction City

[INSERT CONSULTANT NAME]

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

EXHIBIT A
REQUEST FOR PROPOSALS

EXHIBIT B
CONSULTANT'S PROPOSAL

EXHIBIT C

ORS CHAPTER 279B PUBLIC CONTRACTING REQUIREMENTS PERSONAL SERVICES

- (1) Contractor shall pay promptly, as due, all persons supplying labor or materials for the performance of the work provided for in the contract, and shall be responsible for such payment of all persons supplying such labor or material to any Subcontractor. ORS 279B.220(1).
- (2) Contractor shall promptly pay all contributions or amounts due the Industrial Accident Fund from such Contractor or Subcontractor incurred in the performance of the contract. ORS 279B.220(2).
- (3) Contractor shall not permit any lien or claim to be filed or prosecuted against City on account of any labor or material furnished and agrees to assume responsibility for satisfaction of any such lien so filed or prosecuted. ORS 279B.220(3).
- (4) Contractor and any Subcontractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.617. ORS 279B.220(4).
- (5) Contractor agrees that if Contractor fails, neglects or refuses to make prompt payment of any claim for labor or materials furnished to the Contractor or a Subcontractor by any person in connection with the contract as such claim becomes due, City may pay such claim to the persons furnishing the labor or material and charge the amount of payment against funds due or to become due Contractor by reason of the contract. The payment of a claim in the manner authorized hereby shall not relieve the Contractor or his surety from his or its obligation with respect to any unpaid claim. If City is unable to determine the validity of any claim for labor or material furnished, City may withhold from any current payment due Contractor an amount equal to said claim until its validity is determined and the claim, if valid, is paid.
- (6) Contractor shall promptly, as due, make payment to any person, copartnership, association, or corporation, furnishing medical, surgical and hospital care or other needed care and attention, incident to sickness or injury, to employees of such Contractor, of all sums which the Contractor agrees to pay for such services and all monies and sums which the Contractor collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service. ORS 279B.230(1).
- (7) All subject employers working under the contractor are either employers that will comply with ORS 656.017, or employers that are exempt under ORS 656.126. ORS 279B.230(2).
- (8) Contractor shall pay employees for overtime work performed under the contract in accordance with ORS 653.010 to 653.261 and the Fair Labor Standards Act of 1938 (29 USC 201, *et seq*). ORS 279B.235(3).
- (9) The Contractor must give notice to employees who work on this contract in writing, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and the days per week that the employees may be required to work. ORS 279B.235(2).

- (10) All sums due the State Unemployment Compensation Fund from the Contractor or any Subcontractor in connection with the performance of the contract shall be promptly so paid. ORS 701.430.
- (11) Consultant shall, to the maximum extent economically feasible in the performance of this Agreement, use recycled paper or other products as defined in ORS 279A.010.
- (12) Consultant certifies its compliance with all applicable state and local tax laws, including but not limited to ORS 305.385, ORS 305.620, ORS chapters 316, 317 and 318. Consultant certifies it will continue to comply with all such tax laws during the term of this contract. Consultant's failure to comply with such state and local tax laws prior to executing this contract or during the term of this contract constitutes a default for which City may terminate this contract and seek damages and other relief available under the terms of this contract or applicable law. ORS 279B.045.
- (13) Contractor certifies that it has not discriminated and will not discriminate against minorities, women, emerging small business enterprises or a business enterprise that is controlled by or that employs a veteran as defined in ORS 408.225 in obtaining any required subcontractors. ORS 279A.110.
- (14) As used in this section, "nonresident contractor" means a contractor that has not paid unemployment taxes or income taxes in the state of Oregon during the 12 calendar months immediately preceding submission of the bid for the contract, does not have a business address in this state, and stated in the bid for the contract that it was not a "resident bidder" under ORS 279A.120. When a public contract is awarded to a nonresident contractor and the contract price exceeds \$10,000, the contractor shall promptly report to the Department of Revenue on forms to be provided by the department the total contract price, terms of payment, length of contract and such other information as the department may require before the bidder may receive final payment on the public contract. ORS 279A.120.

EXHIBIT D
SCOPE OF WORK
[TO BE FILLED IN]

Specific Services.

1. A thorough examination in accordance with generally accepted auditing standards of the financial information and supplemental schedules for all City funds.
2. Year-end fund account combinations, government wide, and governmental fund and proprietary fund financial statements (cash basis).
3. Drafting of the Annual Financial Reports in accordance with all applicable GASB and/or FASB pronouncements.
4. An examination, if applicable, in accordance with the laws of Oregon and the Single Audit Act Amendments of 1996 and OMB Circular A-133.
5. Assistance with and review of Management Discussion and Analysis (MD&A) and incorporating the MD&A in reports.
6. Consulting services throughout the term of the contract on financial related issues including, but not limited to budgeting, internal controls, best practices, pronouncement interpretations, and guidance on compliance issues.
7. A pre-audit meeting between the auditing firm, the City Administrator and the Finance Director may be conducted prior to the audit each year. During this meeting, items to be discussed include: audit schedule, working paper standards and requirements, and deadlines. A list shall be presented by the auditor at this time indicating the information required from City staff.
8. An exit conference or other communication is required of the auditing firm on completion of all fieldwork to inform the Finance Director and City Administrator of pertinent findings. Formal report presentation by the auditing firm will be required before a regular session of the Junction City City Council, preferably before each annual report is submitted to the Secretary of State, Audits Division.
9. A letter expressing an opinion on the financial statements. Written notice to the City in advance if the opinion that is less than unqualified along with justification of the opinion.
10. The firm will issue two separate written letters of recommendation to City management after completion of the audit, covering the firm's review of the adequacy of internal accounting controls and other audit investigations. The firm shall advise and assist management to implement any recommendations as required.
11. The auditing firm shall create and print bound hard copies as needed as well as an electronic copy of the City's Annual Financial Statements and Audit Report.
12. The auditing firm shall submit an electronic version of the reports to the State Division of Audits and to the City no later than December 31st of each year.

General Services.

1. All funds and accounts of the City are to be covered by the audit examination.
2. The City from time to time may be subject to the additional audit requirements imposed by the Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of State and Local Governments. The audit firm is expected to prepare and deliver its report on the single audit no later than November for the preceding fiscal year.
3. The audit examination shall be made in accordance with generally accepted governmental procedures as prescribed in the AICPA Industry Audit Guide – Audits of State and Local Governmental Units and in GAAFR.
4. Report any unusual conditions encountered during the course of the audit.
5. Examine other reports or perform other services as required